

The House Financial Services Committee approved a key amendment, 47-21, to keep automobile dealers under the already effective federal and state laws which govern vehicle financing.

The amendment, sponsored by Rep. John Campbell, R-Calif., will not subject auto retailers to the regulations of the proposed Consumer Financial Protection Agency (CFPA), but will continue the full range of consumer protection rules of the Federal Reserve, the Federal Trade Commission and state laws.

The National Automobile Dealers Association (NADA) led a grassroots campaign in support of the Campbell Amendment.

"NADA and dealers across the country applaud the overwhelming bipartisan support for the Campbell Amendment," said David Westcott, chairman of NADA's Government Affairs Committee and a multi-franchise dealer from North Carolina. "It makes sense to exclude dealers. Dealers had absolutely nothing to do with the credit crisis."

H.R. 3126, the Consumer Financial Protection Agency Act, later passed the full committee with the Campbell Amendment included. However, the bill still has a number of other hurdles before reaching the White House for final approval. The House Energy and Commerce Committee, which also has partial jurisdiction over the new agency, will have an opportunity to consider the bill before a House vote. The Senate will have to go through a similar process.

NADA's legislative office, as well as dealers across the country, will continue to be involved throughout the process. "We will continue to work on behalf of consumers and dealers to maintain dealer-assisted financing as an efficient and competitive credit-delivery system," Westcott said.

"We applaud Rep. Campbell for his leadership in building strong bipartisan support in the financial services committee," Westcott said. "The overwhelming majority of committee members clearly understand that CFPA jurisdiction over dealers is unnecessary and that increased uncertainty in the auto marketplace would limit consumer finance options and increase car buyers' costs."